



Request for City Council Committee Action From the Department of Finance and Property Services

Date: January 9, 2013

To: Honorable Betsy Hodges, Chair Ways & Means Committee

Subject: **Contract Renewal with Hennepin County – Lease Management Services**

Recommendation:

That the proper City officers be authorized to negotiate and execute a new (3) three-year agreement with Hennepin County's Leasing and Land Management Division for professional lease management services. Services will be paid for utilizing existing operating budget Fund 6200 Department 8201340.

Previous Directives:

- August 29, 2009 – City Council approves contracting with Hennepin County for lease management Services.

Prepared by: Greg Goeke, Director of Property Services, 673-2706

Approved by:

Kevin Carpenter, Chief Financial Officer, Finance and Property Services Dept.

Paul Aasen, City Coordinator

Presenters: Greg Goeke, Director of Property Services

Reviews

Permanent Review Committee (PRC): Approval _X_ Date _12/06/2012

Civil Rights Approval Approval _NA_ Date _____

Policy Review Group (PRG): Approval _NA_ Date _____

Financial Impact

No financial impact

Community Impact

Neighborhood Notification: NA
City Goals: A City that Works
Comprehensive Plan: NA
Zoning Code: NA

Background/Supporting Information

Property Services is requesting approval for a new (3) three year agreement with Hennepin County's Leasing and Land Management Division for the negotiation, preparation and administration of leases and other property right agreements for City owned properties within the City of Minneapolis. Services include representing the City's interests on lease negotiations, preparation of agreement documents, document preservation, and management tools to generate timely responses to leasing issues. This service is provided on an as-needed hourly basis in cooperation with Property Services and the City Attorney's Office. Hennepin County provides the basic staff services at \$55 per hour. The typical hourly rate for private real estate brokerage services on retainer basis is significantly higher.

The estimated cost of the agreement is not-to-exceed \$50,000 per year. The term is envisioned to be for three years with termination options for both the City and Hennepin County.

Attachments.: None

Cc: Peter Ginder
Gary Winter